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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
(SAN JOSE DIVISION)

YUVAL LAPINER, Individually and
on Behalf of All Others Similarly
Situating,

Plaintiff,

v.

CAMTEK, LTD., RAFI AMIT AND
RONIT DULBERG,

Defendants.

No.

C08 01327 MMC

CLASS ACTION COMPLAINT
FOR VIOLATIONS OF FEDERAL
SECURITIES LAWS

DEMAND FOR JURY TRIAL

INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased or otherwise acquired the common stock of Camtek Ltd. ("Camtek" or the "Company") between November 22, 2005 and December 20, 2006 (the "Class Period"), for defendants' violations of the Securities Exchange Act of 1934 ("1934 Act").

1 2. Camtek Ltd. engages in the design, development, manufacture and
2 marketing of automated optical inspection ("AOI") systems and related products.
3 AOI systems are computerized systems, which optically inspect various types of
4 electronic product components for manufacturing defects. Camtek's AOI systems
5 are utilized in three industries: (1) printed circuit boards ("PCB"); (2) high-density
6 substrates for interconnection of integrated circuit devices ("IC substrate"); and
7 (3) semiconductor manufacturing and packaging.

8 3. During the Class Period, the defendants issued materially false and
9 misleading statements concerning Camtek's business and financial performance.
10 As a result of these misleading statements and failures to disclose, Camtek stock
11 traded at artificially inflated prices during the Class Period. As a direct result of
12 the market learning of defendants' wrongdoing, the price of Camtek shares
13 declined and plaintiff and the class suffered a loss on their investment in Camtek.

14 **JURISDICTION AND VENUE**

15 4. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted
16 herein arise under §§10(b) and 20(a) of the 1934 Act and SEC Rule 10b-5.

17 5. Venue is proper in this District pursuant to §27 of the 1934 Act.
18 Many of the false and misleading statements affected persons this District, and the
19 Company maintains offices in this District at 2000 Wyatt Drive, Suite #4,
20 Santa Clara California 95054.

PARTIES

6. Plaintiff Yuval Lapiner purchased Camtek common stock as described in the attached certification and was damaged thereby.

7. Defendant Camtek is an Israeli corporation which maintains its principal executive offices at Ramat Gavriel Industrial Zone, P.O. BOX 544, Migdal Ha'Emek, Israel. The Company engages in the design, development, manufacture and marketing of automated optical inspection systems, which optically inspect various types of electronic product components for manufacturing defects.

8. Defendant Rafi Amit ("Amit") is, and at times relevant hereto was, Chairman and Chief Executive Officer of Camtek.

9. Defendant Ronit Dulberg ("Dulberg") is, since March 19, 2006, and at times relevant hereto was Vice President and Chief Financial Officer of Camtek.

10. Defendants Amit and Dulberg (collectively, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of Camtek' quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or

1 shortly after their issuance and had the ability and opportunity to prevent their
2 issuance or cause them to be corrected. Because of their positions with the
3 Company, and their access to material non-public information available to them
4 but not to the public, Amit and Dulberg knew that the adverse facts specified
5 herein had not been disclosed to and were being concealed from the public and
6 that the positive representations being made were then materially false and
7 misleading. Amit and Dulberg are liable for the false statements pleaded herein.
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11 SUBSTANTIVE ALLEGATIONS

12 11. Defendant Camtek Ltd. engages in the design, development,
13 manufacture and marketing of automated optical inspection ("AOI") systems and
14 related products. AOI systems are computerized systems, which optically inspect
15 various types of electronic product components for manufacturing defects.
16 Camtek's AOI systems are utilized in three industries: (1) printed circuit boards
17 ("PCB"); (2) high-density substrates for interconnection of integrated circuit
18 devices ("IC substrate"); and (3) semiconductor manufacturing and packaging .
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22 **False and Misleading Statements Issued During the Class Period**

23 12. On November 22, 2005, Camtek issued a press release announcing
24 the Company's third quarter 2005 financial results. The press release stated in part:
25
26
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1 CAMTEK LTD. ANNOUNCES 2005 THIRD QUARTER RESULTS

2 MIGDAL HAEMEK, Israel, November 22, 2005 - Camtek Ltd.
3 (NASDAQ: CAMT), today announced results for the third quarter of
4 2005, which ended on September 30. The company also released initial
5 guidance for the year 2006.

6 Revenues for the third quarter of 2005 were \$17.7 million, 8% below
7 \$19.3 million in the third quarter of 2004, and up sequentially 5.8%
8 from \$16.8 million reported in the second quarter of 2005. Revenue
9 guidance issued for the quarter was between \$16-18 million. The
10 revenue breakdown in the third quarter of 2005 between the sales of
11 PCB, HDI-S and Semiconductor Manufacturing and Packaging products
12 was 53%, 19% and 28%, respectively.

13 Gross profit for the third quarter of 2005 was \$8.5 million, representing
14 a gross margin of 48.2%. This is compared with \$10.6 million, or gross
15 margin of 54.8%, as reported in the third quarter of 2004 and \$8.3
16 million, or gross margin of 49.7%, as reported in the previous quarter.

17 The company reported third quarter net income of \$1.5 million, or \$0.06
18 per share, compared to net income of \$3.3 million, or \$0.12 per share,
19 in the third quarter of 2004, and \$1.5 million, or \$0.05 per share, in the
20 second quarter of 2005. The third quarter 2004 results include a
21 one-time charge of \$1.1 million for the discontinued plan for a
22 secondary public offering.

23 Rafi Amit, Camtek's CEO commented, "We are pleased with our
24 revenues, coming in at the upper end of our expectations. We are
25 particularly proud of our performance in the semiconductor business,
26 having grown by over 25% from the previous quarter. This strong
27 growth reflects the competitive and technological advantages of the
28 Falcon, as well as the continuing implementation of our strategy, which
aims to become a major player in the semiconductor inspection arena.
The growth in our semiconductor revenue more than offsets the decline
in revenues of PCB inspection products."

1 Mr. Amit continued, "We recently introduced new models of the Falcon
2 which have fed into our increasingly growing order pipeline. The Falcon
3 has been qualified for a number of different applications by some major
4 integrated device manufacturers and wafer foundries. We continue to
5 win side-by-side evaluations against competitors and our orders have
6 included repeat and multiple orders, which are evidence of the
7 customer's perception of the quality and the value of this product line.
8 We believe that the sale of current and future Falcon models will
9 continue on its growth trend in 2006, eventually contributing a greater
portion of our revenues than our PCB inspection systems. In the next
quarter, we expect total revenues of between US\$18-20 million, with
continued strong growth from the Falcon."

10 Mr. Amit concluded, "We believe 2006 PCB sector revenues will remain
11 at around the same level as those of 2005. However, given our
12 significantly strengthening pipeline of Falcon orders and evaluation
13 requests for the next six months, and assuming an unchanged trend in
14 the global semiconductor market, we forecast 2006 Falcon sales
15 growing by 100-150% over 2005. Thus based on these assumptions, we
expect total revenues for 2006 to be in the range of US\$85-95 million,
representing year-on-year growth of between 35-55%."

16 * * *

17
18 13. On March 2, 2006, Camtek issued a press release announcing the
19 Company's fourth quarter and full year 2005 financial results. The press release stated
20 in part:

21
22 **CAMTEK ANNOUNCES 2005 FOURTH QUARTER & FULL YEAR**
23 **RESULTS**

24 Revenues were \$19.4m for Q4, \$63.0m for 2005; EPS \$0.07

25 First Quarter and Full Year Revenues Guidance Revised Upwards to
26 \$22-24m and \$90-100m Respectively

1 MIGDAL HAEMEK, Israel, March 2 /-- Camtek Ltd. Camtek today
2 announced results for the fourth quarter and twelve months ended
3 December 31, 2005.

4 The company reported near-record revenues for the fourth quarter of
5 2005 at \$19.4 million, up 10% from \$17.6 million in the fourth quarter
6 of 2004, and sequentially up 10% from \$17.7 million in the quarter
7 ended September 30, 2005.

8 Gross profit margin for the fourth quarter of 2005 was 49.5% compared
9 to 53.7% for the fourth quarter of 2004, and 48.2% for the third quarter
10 of 2005.

11 Net profit for the fourth quarter of 2005 was \$2.1 million, or \$0.07 per
12 share. This compares to a net profit of \$3.0 million, or \$0.11 per share,
13 in the fourth quarter of 2004. For the third quarter of 2005, net profit
14 was \$1.5 million, or \$0.06 per share.

15 Revenues for the twelve-month period ended December 31, 2005 were
16 \$63million, down 6.5% from \$67.4 million for the twelve-month period
17 ended December 31, 2004. Gross profit margin for the year 2005 was
18 48.0%, compared to a 53.5% margin in 2004.

19 Net profit for the twelve-month period ended December 31, 2005 was
20 \$2.7 million or \$0.10 per share, compared to \$10.8 million, or \$0.39 per
21 share for the twelve-month period ended December 31, 2004.

22 Rafi Amit, Camtek's CEO, commented, "2005 was a good year for us
23 in spite of its slow start. It marked our breakthrough into the
24 semiconductor manufacturing and packaging industry with Falcon sales
25 reaching \$19.8 million. In the fourth quarter alone, revenues from
26 Falcon sales reached \$9.1 million. We carried out our ambitious
27 penetration plan and won orders from major semiconductor firms
28 worldwide, including 6 of the top-15 manufacturers. These customers
chose the Falcon predominantly for its performance and for Camtek's
responsiveness to their needs. Qualification by such corporations with
their multiple sites represents a significant potential for follow-on orders
with a shorter selling cycle."

1 Mr. Amit added, "In the PCB market, which is still a core business for
2 us, we maintained a strong market position during 2005 in spite of the
3 fierce competition.

4 We expect an increase in demand in the coming quarters, especially
5 from manufacturers of IC high-density (HDI) substrates and fine-line
6 circuits. We continue to invest R&D efforts in developing advanced
7 capabilities and applications for these segments, where margins are
8 higher and our technological advantages provide us with a greater
9 competitive edge."

10 Mr. Amit concluded, "2006 has started stronger than anticipated in both
11 our core markets. *We are therefore adjusting our previous first quarter*
12 *revenue guidance upward from \$20-23 million to \$22-24 million.*
13 *Moreover, our strong pipeline and the market feedback we receive,*
14 *allow us to increase our revenue guidance for the year 2006 from*
15 *\$85-95 million to \$90-100 million.* We believe that most of the
16 expected growth will come from the semiconductor manufacturing and
17 packaging industry, while our revenues from the PCB industry should
18 grow moderately."

19 The company is also announcing that as of March 19, 2006, Mrs. Ronit
20 Dulberg will replace Mr. Moshe Amit as Chief Financial Officer of the
21 Company. Moshe Amit will maintain his current position as Executive
22 Vice President and will handle various tasks as an active member of
23 Camtek's senior management. Rafi Amit said, "We welcome Mrs.
24 Dulberg to Camtek. Joining us at a time of rapid growth, Ronit's skills
25 and vast experience will undoubtedly help her become a major
26 contributor in leading the company toward its goals. Previously, Ronit
27 was Vice President of Finance for Creo Israel, Deputy Managing
28 Director of Finance and Logistics at Micro Swiss Ltd., and CFO for
Siemens Data Communication, an Israeli subsidiary of Siemens. Ronit
is a CPA, holds a BA in Economics and Accounting, as well as LLM."

* * *

16. On April 24, 2006, Camtek issued a press release announcing an upward

1 revision in the Company's previously issued second quarter 2006 revenue guidance.

2
3 The press release stated:

4 CAMTEK EXPECTS Q1 REVENUES TO EXCEED PREVIOUS
5 EXPECTATIONS

6 Anticipates Second Quarter Record Revenues between \$26 and 29
7 Million

8 MIGDAL HA'EMEK, Israel, April 24, 2006 - **Camtek Ltd.** [] *today*
9 *announced that it expects its revenues in the first quarter of 2006 to*
10 *exceed its previously announced range of \$22-24 million and reach*
11 *\$24.5-25 million.* That forecast was previously revised upwards from
12 preliminary first quarter guidance, issued in January 2006. For the
13 second quarter of 2006 the Company anticipates revenues of \$26-29
14 million.

15 Mrs. Ronit Dulberg, Camtek's CFO commented, "These results derived
16 from *strong performance* in the PCB market that exceeded our previous
17 estimates, and from the *continuing growth* of our sales to the
18 semiconductor industry. In the semiconductor inspection market,
19 Camtek has won a number of new and repeat orders from leading
20 semiconductor manufacturers, including new Japanese and European
21 customers."

22 Camtek also announced that it would release its results for the first
23 quarter of 2006 on Tuesday, May 16 before the market opens.

24 17. In response to this news, the price of Camtek shares shot up nearly 23%
25 from the previous day's close of \$4.89 per share, to close on April 24, 2006 at \$6.01
26 per share.

27 18. Approximately one week later, the Company issued a press release
28

1 announcing the successful completion of a private placement of 2,525,252 ordinary
2 shares at a price of \$5.94 per share, for proceeds of approximately \$15 million,
3 together with warrants which are exercisable into an additional 1,262,626 ordinary
4 shares at \$6.83 per share during a period of four years, to be issued to the investors
5 following approval of registration for trading of the shares by the Tel Aviv Stock
6 Exchange. In the press release, CFO Ronit Dulberg claimed that “[t]he Company’s
7 strong performance in recent quarters and the potential future growth, enabled us to
8 raise the funds from a position of strength.” In addition, Company CEO Rafi Amit,
9 stated *“This offering is a testament to the confidence by the capital markets in
10 Camtek future prospects. ... The trends we are seeing in the market and the
11 acceptance of our products lead us to be optimistic about the future of the company
12 and its growth prospects.”* [Emphasis added.]
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18 19. On May 16, 2006, Camtek issued a press release announcing the
19 Company’s first quarter 2006 financial results. The press release stated in part:

20 CAMTEK LTD. ANNOUNCES RECORD FIRST QUARTER 2006
21 RESULTS

22 Record quarterly revenues of \$24.9 million

23
24 Net income of \$4.4 million, up 115% sequentially
25 Adjusts 2006 revenue guidance upwards to \$100 – 110 million

26 MIGDAL HAEMEK, Israel – May 16, 2006 – Camtek Ltd. (NASDAQ:

1 CAMT), today announced results for the first quarter ended March 31,
2 2006.

3 Highlights of the first quarter

4 * Achieved record revenues of \$24.9 million, a 28% sequential
5 growth.

6 * Record net income reaching \$4.4 million, a 115% sequential
7 increase.

8 * Strong growth in gross, operating and net margins.
9

10 Revenues for the first quarter of 2006 were \$24.9 million, 172% above
11 the \$9.1 million as reported in the first quarter of last year, and
12 sequentially up 28% from the \$19.4 million as reported in the fourth
13 quarter of 2005.

14 Gross profit for the first quarter of 2006 was \$13.1 million, representing
15 a gross margin of 52.5%. This is compared with gross profit of \$3.8
16 million or gross margin of 41.2%, as reported in the first quarter of last
17 year and gross profit of \$9.6 million, or gross margin of 49.5% as
18 reported in the fourth quarter of 2005.

19 Operating profit for the first quarter of 2006 was \$4.4 million
20 representing an operating margin of 17.8%, and was up 120% from the
21 operating profit of \$2.1 million or 10.8% operating margin as reported
22 in the prior quarter. In the first quarter of last year, the Company
23 reported an operating loss of \$2.0 million.

24 First quarter net income was \$4.4 million or 16 cents per diluted share,
25 representing a net margin of 17.8%. This compares with a net loss of
26 \$2.4 million, or 9 cents loss per diluted share as reported in the first
27 quarter of 2005. First quarter 2006 net income grew by 115% over
28 fourth quarter 2005 net income of \$2.1 million, or 7 cents per share,
which represented a net margin of 10.6%.

1 "This was another record quarter – our third in a row," commented Rafi
2 Amit, Camtek's CEO. "We increased our sales both to the PCB/HDI and
3 to the semiconductor industries and registered a positive cash flow. The
4 Falcon, our line of wafer inspection systems for the semiconductor
5 industry, continued its penetration in the market and solidified its
6 position as a leading product among top-tier manufacturers. In parallel
7 to our continuing activity in developing the Falcon's future generations,
8 we are focusing R&D efforts in the high-end of the PCB industry, where
9 margins are higher and our technological advantages give us an edge.
10 This positions us very well for the coming years. "

11 Ronit Dulberg, Camtek's CFO added, "Our current order stream allows
12 us to comfortably reiterate our revenue guidance of \$26-29 million for
13 the second quarter. Furthermore, based on the satisfying results of the
14 first quarter, the demand levels for our products, and our reading of the
15 marketplace, we estimate at this point that our *revenues in 2006 are*
16 *likely to exceed our previous guidance* and fall in the range of \$100-110
17 million."

18 * * *

19 20. In response to this positive news, the price of Camtek shares shot
20 up 10% from the previous day's close, to close on May 16, 2006 at \$7.18 per share
21 – a Class Period high – on extremely heavy trading volume of more than 2.1 million
22 shares traded.

23 21. On August 7, 2006, Camtek issued a press release announcing the
24 Company's second quarter 2006 financial results. The press release stated in part:

25 CAMTEK LTD. ANNOUNCES RECORD RESULTS FOR Q2 2006

26 Camtek Achieved Record Revenues of \$27.9 Million

27 Record Gross Profit of \$15.2 million and Record Net Income of \$5.2

1 million, with \$0.17 EPS

2 MIGDAL HAEMEK, Israel – August 7, 2006 – Camtek Ltd. (NASDAQ:
3 CAMT), today announced record results for the second quarter ended
4 June 30, 2006.

5 Revenues for the second quarter of 2006 were \$27.9 million, 67% above
6 \$16.8 million in the second quarter of 2005, and up 12% sequentially
7 from \$24.9 million reported in the first quarter of 2006.

8 Gross profit margin for the second quarter of 2006 was 54.6%, compared
9 to 49.7% for the second quarter of 2005, and 52.5% for the first quarter
10 of 2006.

11 The Company reported second quarter net income of \$5.2 million, or
12 \$0.17 per diluted share, compared to a net income of \$1.5 million, or
13 \$0.05 per diluted share, in the second quarter of last year, and \$4.4
million, or \$0.16 per diluted share, in the first quarter of 2006.

14 Rafi Amit, Camtek's CEO, commented: "Camtek's operational and
15 financial performance excelled this quarter. We continued building our
16 strong position in the semiconductor manufacturing and packaging
17 industry as our revenues from this industry reached \$13 million and
18 contributed 47% of our total revenues. We continue to see the same level
of activity as last quarter in the PCB and HDI-S markets, which
19 contributed \$14.9 million to our revenues."

20 Mr. Amit continued, "In parallel to our activities of supporting our
21 growth, we have been developing new capabilities for all our served
markets. We will announce a few of these capabilities in the near future."

22 Mrs. Ronit Dulberg, Camtek's CFO, added, "We are very pleased to have
23 achieved the targets we have set for ourselves in terms of revenues,
24 margins and profitability, which are the highest quarterly results we have
25 ever recorded . It is worth noting that while we have been investing
26 significant resources in expanding the organization, we were still able to
record a positive operating cash flow of \$3.4 million since the beginning

1 of the year.”

2
3 Mr. Amit concluded, “Given our performance in the first half of the year,
4 our current activity level and the signals we are receiving from our
5 marketplaces, we feel comfortable with our previously updated guidance
6 of \$100-110 million revenues for the year. At this point we can estimate
7 our third quarter revenues at the range of \$26-30 million”.

8 * * *

9 22. On November 9, 2006, Camtek issued a press release announcing the
10 Company’s third quarter 2006 financial results. The press release stated in part:

11 **CAMTEK LTD. ANNOUNCES RESULTS FOR THIRD QUARTER
12 OF 2006**

13 Revenues \$26.3 Million; Gross Profit \$14 million; Net Income \$4.2
14 million

15 **Reaffirming 2006 Revenue Guidance**

16 **MIGDAL HAEMEK, Israel, November 9, 2006 - Camtek Ltd.**
17 **(NASDAQ: CAMT; TASE: CAMT), today announced financial results**
18 **for the third quarter ended September 30, 2006.**

19 Revenues for the third quarter of 2006 were \$26.3 million, 48% above
20 \$17.7 million in the third quarter of 2005, and sequentially 6% below
21 the \$27.9 million reported in the second quarter of 2006.

22 Gross profit margin for the third quarter of 2006 was 53.2%, compared
23 to 48.5% for the third quarter of 2005, and 54.6% for the second quarter
24 of 2006.

25 The Company reported third quarter net income of \$4.2 million, or \$0.13
26 per diluted share, compared to a net income of \$1.5 million, or \$0.06 per
27 diluted share, in the third quarter of last year, and \$5.2 million, or \$0.17
28 per diluted share, in the second quarter of 2006.

“We are excited about our further progress toward achieving our

1 revenue goal for this year,” commented Rafi Amit, Camtek’s CEO.
2 “This quarter’s results reaffirm that we are well poised to achieve that
3 ambitious target. Based on our current view of our markets, *we expect*
4 *revenues in the next quarter to come within 5% of the third quarter*
5 *revenue level, bringing Camtek’s expected annual growth to 65%-70%*
6 *over 2005 revenues.* Furthermore, we have supported the expansion of
7 our organization without sacrificing our profitability.”

8 Mr. Amit continued, “*Sales of Falcon, our wafer inspection systems for*
9 *the semiconductor manufacturing and packaging industries,*
10 *continued to be strong, with repeat orders from key customers and*
11 *multiple orders from Asian facilities. We also added new strategic*
12 *customers such as Samsung Electro Mechanics of Korea.* We believe
13 that the same factors that catapulted the Falcon sales in the past two
14 years will continue to drive it ahead in the foreseeable future. To
15 maintain and expand our competitive edge, we enhanced the Falcon’s
16 3D capabilities, advancing our leadership position in the bumped wafer
17 3D metrology market. We also augmented the Falcon’s compatibility
18 with factory automation environment with the successful
19 implementation of the SECS/GEM communication protocols, which
20 opens the door to new customers.”

21 “In the PCB and HDI-S inspection arena, we are planning to launch
22 several new products in the coming months. These new products
23 approach new segments and maintain our technology leadership
24 position. One new Pegasus model is currently undergoing customers’
25 evaluations with promising results. We anticipate the contribution of
26 these products to our revenues in the coming quarters,” concluded Mr.
27 Amit.

28 * * *

Disclosures at the End of the Class Period

23. Then, on December 21, 2006, Camtek issued a press release
announcing preliminary financial results for fourth quarter 2006. The Company

1 announced that fourth quarter revenue and earnings were expected to be lower
2 than anticipated "due to lower revenues in the semiconductor segment." Among
3 other things, the Company announced expected fourth quarter revenues to range
4 between \$19 and \$21 million. The press release stated, in relevant part, as
5 follows:
6
7

8 **CAMTEK REPORTS PRELIMINARY INFORMATION ON**
9 **EXPECTED REVENUES FOR THE FOURTH QUARTER OF**
10 **2006**

11 Fourth Quarter Expected Revenue Range: \$19 to \$21 Million

12 MIGDAL HA'EMEK, Israel, December 21 - Camtek Ltd. (Nasdaq,
13 TASE: CAMT) reported today that it expects to report revenues for
14 fourth quarter of 2006 between \$19 and \$21 million. The revenues for
15 the fourth quarter are expected to be lower than anticipated due to
16 lower revenues in the semiconductor segment.

17 Camtek will report its financial results for the fourth quarter and full
18 year of 2006 in mid February 2007.

19 Rafi Amit, Camtek's CEO, commented: "Our fourth quarter decline in
20 anticipated revenues is a result of lower than expected sales in our
21 semiconductor business, which is characterized by a small number of
22 orders, each of substantial size. After a year of exceptional growth in
23 semiconductor capacity, we encountered a situation where a few of
24 our customers delayed their purchasing decisions, while a few others
25 requested to defer delivery of their orders to subsequent quarters.

26 We believe this lower revenue level in our semiconductor business is
27 not indicative of the upcoming quarters. Nevertheless we are taking
28 precautionary steps to ensure that we maintain our profitability in the
coming quarters. This includes a tight monitoring of our expense

1 levels such as a temporary freeze of hiring activities.”

2
3 Mr. Amit continued, “2006 has still been a very good year for us and
4 the strongest in our history from a revenue and profitability point of
5 view. Despite our revised guidance range for the fourth quarter, we
6 exceeded our original expectations by a wide margin. Our growth in
7 revenues has been about 60% over that of last year.”

8 * * *

9 24. This news shocked the market, causing shares of Camtek to plummet
10 \$1.28 per share – a more-than-22% drop from the previous day’s closing price of
11 \$5.77 per share – to close on December 21, 2006 at \$4.49 per share on unusually
12 heavy volume of more than 1.4 million shares traded.

13 **Post-Class Period Disclosures**

14 25. Three months later, Camtek continued its downward slide when the
15 Company issued a press release dated March 20, 2007, announcing disappointing
16 financial results for fourth quarter 2006. The company reported a net loss of \$2.2
17 million, or \$0.07 per share – compared with a third-quarter net *profit* of \$4.2 million,
18 or \$0.14 per share, and a net profit of \$2.1 million, or \$0.07 per share, for the same
19 period in the prior year.

20 26. Then, on April 10, 2007, Camtek issued a press release announcing a
21 downward revision of the Company’s first quarter 2007 revenue guidance.

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25 **CAMTEK REPORTS PRELIMINARY INFORMATION ON**
26 **EXPECTED REVENUES FOR THE FIRST QUARTER OF 2007**

1
2 First Quarter Revenues Expected to be approximately \$14 Million
3 MIGDAL HA'EMEK, Israel, April 10, 2007. - Camtek Ltd. (Nasdaq,
4 TASE: CAMT) reported today that it expects to report revenues for first
5 quarter of 2007 of approximately \$14 million. The exact amount of
6 revenues is subject to final adjustment and review by the Company's
7 auditors.

8 Rafi Amit, Camtek's CEO, commented: "One of the main reasons to our
9 shortfall of revenues to the PCB market was a longer than anticipated
10 sales process into China following the Chinese New Year holidays,
11 which were late this year. This pushed a number of sales to the end of
12 the quarter, and we were not able to achieve all the needed criteria to
13 recognize revenues within the quarter. Orders of semiconductor systems
14 were also delayed, which added to the revenue shortfall.

15 As we previously reported, we believe that, based on inputs from our
16 customers, we see a shift in the PCB market and expect an increased
17 demand for our products in the second quarter of 2007 and a further
18 increase in demand for our semiconductor products in the second half
19 of the year."

20 27. During the Class Period, the defendants knew but recklessly disregarded
21 and failed to disclose the investing public that: (i) the Company lacked requisite
22 internal controls, and (ii) misrepresented the Company's business and future
23 prospects. Thus, the Company had no reasonable basis to make projections about its
24 financial results. As a result, defendants' Class Period statements concerning the
25 Company's business and future prospects were, at minimum, reckless.

26 29. As a result of defendants' misleading statements and failure to
27 disclose, Camtek stock traded at inflated levels during the Class Period. However, As

1 a direct result of the market learning of defendants' wrongdoing, the price of Camtek
2 shares declined and plaintiff and the class suffered a loss on their investment in
3 Camtek.
4

5 **ADDITIONAL SCIENTER ALLEGATIONS**

6
7 30. As alleged herein, defendants acted with scienter in that defendants
8 knew that the public documents and statements issued or disseminated in the name
9 of the Company were materially false and misleading, knew that such statements or
10 documents would be issued or disseminated to the investing public, and knowingly
11 and substantially participated or acquiesced in the issuance or dissemination of such
12 statements or documents as primary violations of the federal securities laws. As set
13 forth elsewhere herein in detail, defendants, by virtue of their receipt of information
14 reflecting the true facts regarding Camtek, their control over, and/or receipt and/or
15 modification of Camtek's allegedly materially misleading misstatements and/or their
16 associations with the Company which made them privy to confidential proprietary
17 information concerning Camtek, participated in the fraudulent scheme alleged herein.
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22 31. Defendants were further motivated to engage in this course of conduct
23 in order to generate proceeds from a private placement with institutional investors
24 whereby the Company reaped approximately \$15 million in proceeds.
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27

LOSS CAUSATION

32. By misrepresenting Camtek's financial performance, defendants presented a misleading picture of Camtek's business and prospects. Thus, instead of truthfully disclosing during the Class Period that Camtek's business was not as healthy as represented, defendants failed to disclose the Company's financial position.

33. These material omissions caused and maintained the artificial inflation in Camtek's stock price throughout the Class Period and until the true facts were revealed to the market.

34. Defendants' misleading statements and omissions had the intended effect and caused Camtek stock to trade at artificially inflated levels throughout the Class Period.

35. The public revelations regarding the truth about Camtek's business and financial performance, when disclosed to the market, caused the value of the Company's securities to decline, thereby damaging plaintiffs and the Class.

COUNT I

Breach of Fiduciary Duty

36. Plaintiff repeats and realleges each and every allegation described above as if fully set forth herein.

1 37. Defendants owed a fiduciary duty to the Class, as purchasers and
2 owners of Camtek stock.

3
4 38. Defendants, by means of the foregoing misleading statements and
5 omissions, breached their fiduciary duty to the Class.

6
7 **COUNT II**

8 **For Violation of §10(b) of the 1934 Act and Rule 10b-5**
9 **Against All Defendants**

10 39. Plaintiff repeats and realleges each and every allegation contained
11 above as if fully set forth herein.

12
13 40. During the Class Period, defendants disseminated or approved the
14 false statements specified above, which they knew or deliberately disregarded were
15 misleading in that they contained misrepresentations and failed to disclose material
16 facts necessary in order to make the statements made, in light of the circumstances
17 under which they were made, not misleading.

18
19 41. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that
20 they:

21
22 (a) employed devices, schemes and artifices to defraud;

23
24 (b) made untrue statements of material facts or omitted to state
25 material facts necessary in order to make the statements made, in light of the
26

1 circumstances under which they were made, not misleading; or

2 (c) engaged in acts, practices and a course of business that
3
4 operated as a fraud or deceit upon plaintiff and others similarly situated in connection
5 with their purchases of Camtek common stock during the Class Period.

6 42. Plaintiff and the Class have suffered damages in that, in reliance on
7
8 the integrity of the market, they paid artificially inflated prices for Camtek common
9 stock. Plaintiff and the Class would not have purchased Camtek common stock at the
10 prices they paid, or at all, if they had been aware that the market prices had been
11 artificially and falsely inflated by defendants' misleading statements.
12

13 **COUNT III**

14 **For Violation of §20(a) of the 1934 Act**
15 **Against All Defendants**
16

17 43. Plaintiff repeats and realleges each and every allegation contained
18 above as if fully set forth herein.

19 44. The Individual Defendants acted as controlling persons of
20
21 Camtek within the meaning of §20(a) of the 1934 Act. By reason of their positions
22 with the Company, and their ownership of Camtek stock, the Individual Defendants
23 had the power and authority to cause Camtek to engage in the wrongful conduct
24 complained of herein. Camtek controlled the Individual Defendants and all of its
25
26

1 employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the
2 1934 Act.

3 4 **CLASS ACTION ALLEGATIONS**

5 45. Plaintiff brings this action as a class action pursuant to Rule 23 of the
6 Federal Rules of Civil Procedure on behalf of all persons who purchased or
7 otherwise acquired Camtek common stock during the Class Period (the "Class").
8

9 46. The members of the Class are so numerous that joinder of all
10 members is impracticable. The disposition of their claims in a class action will
11 provide substantial benefits to the parties and the Court. Camtek has more than 30
12 million shares of stock outstanding, owned by hundreds if not thousands of persons.
13

14 47. There is a well-defined community of interest in the questions of law
15 and fact involved in this case. Questions of law and fact common to the members of
16 the Class which predominate over questions which may affect individual Class
17 members include:
18

- 19
- 20 1. whether the 1934 Act was violated by the defendants;
 - 21 2. whether defendants omitted and/or misrepresented material
22 facts;
23
 - 24 (c) whether defendants' statements omitted material facts
25 necessary to make the statements made, in light of the circumstances under which
26

1 they were made, not misleading;

2 (d) whether defendants knew or deliberately disregarded that his
3 statements were false and misleading;
4

5 (e) whether the price of Camtek common stock was
6 artificially inflated; and
7

8 (f) the extent of damage sustained by Class members and the
9 appropriate measure of damages.

10 48. Plaintiff's claims are typical of those of the Class because plaintiff
11 and the Class sustained damages from defendants' wrongful conduct.
12

13 49. Plaintiff will adequately protect the interests of the Class and has
14 retained counsel who are experienced in class action securities litigation. Plaintiff has
15 no interests which conflict with those of the Class.
16

17 50. A class action is superior to other available methods for the fair and
18 efficient adjudication of this controversy.
19

20 **PRAYER FOR RELIEF**

21 WHEREFORE, plaintiff prays for judgment as follows:
22

23 A. Declaring this action to be a proper class action pursuant to
24 Fed. R. Civ.P. 23;
25

26 B. Awarding plaintiff and the members of the Class damages,
27

1 including interest;

2 C. Awarding plaintiff reasonable costs and attorneys' fees; and

3 D. Awarding such equitable/injunctive or other relief as the Court
4 may deem just and proper.
5

6 **JURY DEMAND**

7
8 Plaintiff demands a trial by jury.

9 Dated: March 7, 2008

GLANCY BINKOW & GOLDBERG LLP

10
11 By: 

12 Peter A. Binkow

13 Lionel Z. Glancy

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25 *Attorneys for Plaintiff*

THE LAW OFFICE OF JACOB SABO
SWORN CERTIFICATION OF PLAINTIFF
CAMTEK LTD. SECURITIES LITIGATION

I, Yuval Lapiner, on behalf of

_____, certify that:

1. Plaintiff has reviewed the Complaint against CAMTEK LTD., and certain of its officers and directors, approves of its contents, and adopts the allegations therein.
2. Plaintiff did not purchase CAMTEK LTD., the security that is the subject of this action, at the direction of Plaintiff's counsel or in order to participate in any private action arising under this title.
3. Plaintiff is willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. Plaintiff's transactions in CAMTEK LTD. during the Class Period set forth in the Complaint are as follows:

SEE ATTACHED EXHIBIT A

5. Plaintiff has not served as a representative party on behalf of a class under this title during the last three years, except as indicated below:

6. Plaintiff has not and will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

Dated: February 26, 2008

Yuval Lapiner

EXHIBIT A
Plaintiff's Transactions in Camtek, Ltd.

| Trade Date | Transaction | Quantity | Price | Trade Date | Transaction | Quantity | Price |
|------------|-------------|----------|--------|------------|-------------|----------|--------|
| 1/18/2006 | BUY | 100 | \$4.97 | 5/19/2005 | BUY | 4,880 | \$6.54 |
| 1/18/2006 | BUY | 3,600 | 4.98 | 5/23/2006 | BUY | 400 | 6.55 |
| 1/18/2006 | BUY | 5,000 | 4.96 | 5/23/2006 | BUY | 4,600 | 6.56 |
| 1/18/2006 | BUY | 1,300 | 4.94 | 5/23/2006 | BUY | 1,200 | 6.56 |
| 1/18/2006 | BUY | 5,000 | 4.95 | 5/24/2006 | SELL | -5,000 | 6.18 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -3,200 | 6.6 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -5,000 | 6.63 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -2,000 | 6.67 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -2,900 | 6.68 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -5,000 | 6.69 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 6/2/2006 | SELL | -100 | 6.7 |
| 1/18/2006 | BUY | 5,000 | 4.94 | 7/8/2006 | SELL | -1,000 | 5.92 |
| 1/30/2006 | SELL | -300 | 5.16 | 8/4/2006 | BUY | 3,744 | 6.5 |
| 1/30/2006 | SELL | -300 | 5.16 | 8/7/2006 | BUY | 5456 | 6.4 |
| 1/30/2006 | SELL | -800 | 5.15 | 8/7/2006 | BUY | 5,000 | 6.35 |
| 1/30/2006 | SELL | -4,200 | 5.16 | 11/9/2006 | SELL | -5,000 | 5.6 |
| 1/30/2006 | SELL | -4,700 | 5.15 | 11/9/2006 | SELL | -5,000 | 5.75 |
| 1/30/2006 | SELL | -4,700 | 5.15 | 11/9/2006 | SELL | -3,400 | 5.62 |
| 1/31/2006 | SELL | -500 | 5.12 | 11/9/2006 | SELL | -6,600 | 5.59 |
| 1/31/2006 | SELL | -4,500 | 5.11 | 11/10/2006 | SELL | -4,900 | 5.7 |
| 1/31/2006 | SELL | -5,000 | 5.10 | 11/13/2006 | SELL | -5,000 | 5.77 |
| 1/31/2006 | SELL | -5,000 | 5.10 | 11/18/2006 | SELL | -4,100 | 5.95 |
| 1/30/2006 | BUY | 5,000 | 5.15 | 12/12/2006 | SELL | -6,000 | 5.99 |
| 1/30/2006 | BUY | 5,000 | 5.15 | 1/4/2007 | SELL | -5,000 | 4.40 |
| 1/30/2006 | BUY | 186 | 5.06 | 1/4/2007 | SELL | -5,000 | 4.40 |
| 1/31/2006 | BUY | 5,000 | 5.11 | 1/4/2007 | SELL | -1,137 | 4.40 |
| 1/31/2006 | BUY | 5,000 | 5.10 | 1/17/2007 | SELL | -2,863 | 4.45 |
| 1/31/2006 | BUY | 5,000 | 5.10 | 1/17/2007 | SELL | -8,489 | 4.40 |
| 2/6/2006 | SELL | -4,986 | 5.21 | 1/17/2007 | SELL | -4,000 | 4.44 |
| 2/6/2006 | BUY | -200 | 5.22 | 1/17/2007 | SELL | -511 | 4.44 |
| 3/31/2006 | BUY | 5,000 | 4.82 | 1/22/2007 | SELL | -4,000 | 4.50 |
| 5/24/2006 | BUY | 900 | 6.22 | 1/22/2007 | SELL | -600 | 4.50 |
| 5/24/2006 | BUY | 3,800 | 6.26 | 1/23/2007 | SELL | -2,400 | 4.50 |
| 5/24/2006 | BUY | 4,100 | 6.22 | 1/24/2007 | SELL | -3,000 | 4.47 |
| 5/24/2006 | BUY | 5,000 | 6.25 | 1/24/2007 | SELL | -3,000 | 4.47 |
| 5/24/2006 | BUY | 5,000 | 6.18 | | | | |
| 5/16/2006 | BUY | 15,000 | 7.50 | | | | |
| 5/19/2006 | BUY | 120 | 6.53 | | | | |